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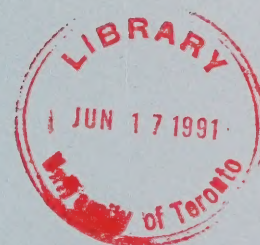
VOLUME: 319

DATE: Wednesday, June 5, 1991

BEFORE:

A. KOVEN Chairman

E. MARTEL Member



FOR HEARING UPDATES CALL (COLLECT CALLS ACCEPTED) (416)963-1249

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HEARING ON THE PROPOSAL BY THE MINISTRY OF NATURAL
RESOURCES FOR A CLASS ENVIRONMENTAL ASSESSMENT FOR
TIMBER MANAGEMENT ON CROWN LANDS IN ONTARIO

IN THE MATTER of the Environmental
Assessment Act, R.S.O. 1980, c.140;

- and -

IN THE MATTER of the Class Environmental
Assessment for Timber Management on Crown
Lands in Ontario;

- and -

IN THE MATTER of a Notice by The Honourable
Jim Bradley, Minister of the Environment,
requiring the Environmental Assessment
Board to hold a hearing with respect to a
Class Environmental Assessment (No.
NR-AA-30) of an undertaking by the Ministry
of Natural Resources for the activity of
Timber Management on Crown Lands in
Ontario.

Hearing held at the Red Dog Inn, 200 Stewart
Street, Fort Frances, Ontario, on Wednesday,
June 5th, 1991, commencing at 9:00 a.m.

VOLUME 319

BEFORE:

MRS. ANNE KOVEN
MR. ELIE MARTEL

Chairman
Member



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I N D E X O F P R O C E E D I N G S

<u>Witness:</u>	<u>Page No.</u>
<u>PAUL BANERJEE,</u> <u>MYRIAM PARE,</u> Sworn	56317
Direct Examination by Mr. Colborne	56323
Cross-Examination by Mr. Freidin	56359
Re-Direct Examination by Mr. Colborne	56377

(v)

I N D E X O F E X H I B I T S

<u>Exhibit No.</u>	<u>Description</u>	<u>Page No.</u>
1883	Witness statement re: GTC No. 3 Panel No. 5.	56318
1884	Questions and answers to MNR interrogatories for Panel 5.	56358

1 ---Upon commencing at 9:00 a.m.

2 MADAM CHAIR: Good morning, Mr. Colborne.

3 MR. COLBORNE: Good morning, Madam Chair.

4 I am prepared this morning to commence
5 the Panel 5 evidence for Grand Council Treaty No. 3.

6 I would like to call forward Mr. Paul
7 Banerjee and Ms. Myriam Pare.

8 Mr. Banerjee and Ms. Pare, could you
9 please approach the Chair.

10 MADAM CHAIR: And we will swear in your
11 evidence before we begin.

12 Good morning.

13 MR. BANERJEE: Good morning.

14 PAUL BANERJEE,
15 MYRIAM PARE; Sworn

16 MR. COLBORNE: Madam Chair, I do not wish
17 to take much time up with qualifying these witnesses to
18 give the opinion evidence which I'm going to elicit
19 from them because, in their particular cases, it is my
20 submission that their qualification is very evident
21 from their written curriculum vitae and also the area
22 in which I wish them to give opinion evidence is a very
23 familiar one and, that is simply, economic matters
24 pertaining to forestry.

25 In other words, this is not a somewhat

1 unfamiliar area of expertise as was Dr. Poole's, for
2 instance, this is an area of expertise that is familiar
3 to most people and that is the area which we refer to
4 as economics.

5 In regard to Mr. Banerjee, and I think
6 his career resume is attached to the witness statement
7 as provided to the Board; am I correct?

8 MADAM CHAIR: Yes, it is, Mr. Colborne.
9 Shall we make the witness statement an exhibit?

10 MR. COLBORNE: Yes, please.

11 MADAM CHAIR: The witness statement No. 5
12 for your case entitled Economic Analysis by Paul
13 Banerjee and Myriam Pare will be Exhibit 1884.

14 ---EXHIBIT NO. 1883: Witness statement re: GTC No. 3
15 Panel No. 5.

16 MR. COLBORNE: In the case of Mr.
17 Banerjee he has a Masters degree in economics, he has a
18 lengthy history in the federal civil service as an
19 economist, and he is presently Director of the Economic
20 Policy Analysis Directorate, Economic Development
21 Sector, Indian and Northern Affairs Canada.

22 And as I suggested earlier, Madam Chair,
23 I am not going to spend much time attempting to
24 persuade you that with those qualifications he ought to
25 be able to give opinion evidence on economics.

1 Now, with respect to Ms. Pare, I wonder,
2 does the witness statement contain her curriculum vitae
3 in French?

4 MADAM CHAIR: Yes it does, Mr. Colborne.

5 MR. COLBORNE: Okay. I have it here in
6 English and I am not sure if it is necessary to assign
7 it a different exhibit number. The other parties have
8 this as well. (handed)

9 MADAM CHAIR: Mr. Martel and I were able
10 to read the French version, but we can take the English
11 one and just append to our witness statements as they
12 stand.

13 MR. COLBORNE: (handed)

14 MADAM CHAIR: Thank you.

15 MR. COLBORNE: And as you will see and
16 have seen in regard to Ms. Pare, she also has a Masters
17 degree in economics, has a relatively lengthy period of
18 time as an economist for a very well-known firm in the
19 economics field, and that she now has a senior position
20 with the federal government, again as an economist.

21 So in her case, as well as Mr.
22 Banerjee's, I am asking that they be qualified to state
23 opinion or expert evidence hereon, and this is the
24 spirit that I'm requesting, economic matters pertaining
25 to forestry. That is my request.

1 MADAM CHAIR: Any objections from the
2 parties?

3 MR. FREIDIN: No.

4 MR. GILLESPIE: (nodding negatively).

5 MADAM CHAIR: The witnesses will be so
6 qualified.

7 MR. COLBORNE: Thank you.

8 A word of introduction, as I have done
9 with respect to my earlier panels, Madam Chair. The
10 idea of presenting this type of evidence is to make
11 available to the Board that objective data,
12 particularly in the economic sphere, which is available
13 in regard to my clients.

14 I think that some of the evidence you
15 hear today will illustrate to you that it's not as easy
16 as it sounds simply because there are problems and gaps
17 in the available data but, nevertheless, there is some
18 there and the idea of this witness panel is to make you
19 aware in as a summary and convenient a fashion of the
20 data that is there and the analysis which can be drawn
21 from it.

22 I met at length with these witnesses last
23 evening because I know that we're all concerned with
24 time today, and one of the things that I concluded from
25 our meeting was that the interrogatories in this

1 particular panel were detailed and the replies were
2 very responsive as well and, for that reason, I
3 concluded that it would not be necessary to take as
4 much time with oral evidence as I might have because,
5 especially in technical areas like this, written
6 responses to clearly worded questions are sometimes
7 more useful than a lot of convoluted oral questions and
8 answers.

9 And my impression from the written
10 material was that not only were the questions clear but
11 the answers were clear as well. So I think that I can
12 proceed very expeditiously in terms of time of the
13 hearing this morning.

14 The assumption behind what I have just
15 said is that the interrogatories will be filed and I
16 assure you they will be.

17 I had indicated earlier that at or toward
18 the conclusion of my case I was simply going to file a
19 book that contained all of the interrogatories and all
20 of the answers but, in any case, I'm mentioning this
21 now simply to explain if it should occur to you why I'm
22 proceeding much more swiftly through the written
23 evidence than I might ordinarily have done, and that is
24 because the interrogatories and replies were very
25 thorough.

1 MADAM CHAIR: And we have the
2 interrogatory questions and responses.

3 MR. COLBORNE: Thank you.

4 MR. FREIDIN: I would provide those in a
5 form with the question and answer on the same page,
6 Madam Chair.

7 It's nice to see the process working. I
8 intend to file them and ask very few questions on them
9 and probably nothing else.

10 MADAM CHAIR: Okay, thank you.

11 MR. COLBORNE: Just one final point by
12 way of introduction. It may have occurred as a
13 question to you or to the parties why the Department of
14 Indian Affairs would be here giving evidence and, for
15 that reason, I included in the statement this page
16 titled Introduction, which does not have numbered -- is
17 not included in the numbered paragraphs and is not part
18 of what these witnesses provided, it was my own effort
19 to explain how it came to be that the witnesses here
20 are not employees or consultants hired by my client,
21 the witnesses here are members of the federal civil
22 service but through the generous agreement of the
23 federal government and through their own willingness to
24 do a lot of very hard work they are here on behalf of
25 Grand Council Treaty No. 3 but, as such, they do not

1 speak for Treaty 3 and matters of policy and so on
2 would be questions for Panel 6 or for the witnesses in
3 Panel 3.

4 Now having said all that, I will ask the
5 witnesses to say something.

6 DIRECT EXAMINATION BY MR. COLBORNE:

7 Q. Mr. Banerjee and Ms. Pare, please
8 feel free, either of you, to answer my questions
9 depending on which of you or both wish to do so.

10 I would like to begin with paragraph 1 of
11 the witness statement as filed and refer you to the
12 passage as follows:

13 "The analysis is constrained by the
14 scarcity of data."

15 My question is: What data sources did
16 you use to assemble the analysis contained in the
17 witness statement?

18 MR. BANERJEE: A. I guess we wanted to
19 provide a fairly comprehensive picture of the issues
20 here and, in view of that, we consulted numerous
21 sources so that we could benefit from the strength of
22 the various data sources, and those principally would
23 include the 1986 census data, other publications of
24 Statistics Canada such as value of shipment of forestry
25 and other manufactured goods, et cetera, Forestry

1 Canada, both the regular publication of Forestry Canada
2 that's publicly available or at least in public and
3 published form and customized data of Forestry Canada,
4 the data from the Conference Board.

5 So those would be the principal sources
6 of the data that we looked at to provide this analysis.

7 Q. And where you use the word scarcity,
8 what are you referring to there, in what regard was the
9 data scarce?

10 A. I guess essentially there are two
11 answers to that, and economists tend to provide always
12 two answers, however, there's not an 'on the other
13 hand' story here.

14 Essentially what we meant by that is that
15 analysis pertaining to a broader or a macro-economic
16 situation, if you like, or more of an aggregate case is
17 somewhat easier than to provide analysis in a
18 micro-situation as is the case here. It is in that
19 vein that we said that the data is somewhat scarce.

20 If we were to provide an assessment,
21 which we indeed have in this report, the assessment of
22 the forestry sector of Ontario the job would be
23 somewhat easier because the data is fairly widely
24 available and published, et cetera.

25 But, however, when the focus gets

1 somewhat narrower, in this case being the Northwest
2 Ontario region or Treaty 3 in particular, simply the
3 lack of availability is the issue here. I think that
4 is really what we mean.

5 Q. You mentioned that one of the data
6 sources was the 1986 census, and we have heard
7 something about those census figures in this hearing
8 prior to today.

9 I want to ask you why the Statistics
10 Canada projections - and I think you're aware of the
11 ones I'm referring to, and these are projections which
12 are referred to in the Panel 2 evidence that has been
13 presented here - why those projections would be
14 different from what one would expect looking at the
15 1986 census figures.

16 And what I mean by that is -- and we have
17 the 1986 census figures as well, or at least hopefully
18 they're reasonably correct or they're reasonably
19 correctly produced in Panel 2 and those show somewhat
20 small numbers, the Statistics Canada projections also
21 in Panel 2 show somewhat large numbers and it, to a lay
22 person, doesn't make sense.

23 Can you help us with the discrepancy?

24 A. As you are probably aware there was a
25 significant non-response in the 1986 census, to be

1 precise there were 45,000 -- I think it's 44,700 and
2 some odd counts were missed in the 1986 census, so the
3 data that you are referring to that often we have used
4 essentially adjusts for this non-response bias, if you
5 like, or the non-response within the '86 census.

6 Q. Now, when you said the data just
7 then, were you referring to the Statistics Canada
8 projections?

9 MS. PARE: A. Well, the 1986 count from
10 the census wouldn't have any adjustments to them, it's
11 just whatever is available from Statistics Canada from
12 the census, but when you get to projections,
13 adjustments were made by Department of Indian and
14 Northern Affairs according to whatever information they
15 had, such as the Indian Register or those inverted
16 cases that we are aware of, so adjustments were made
17 first to the 1986 counts from the census, and then
18 using the assumption that the Department of Indian
19 Affairs have provided to Statistics Canada they have
20 come up with these projections for 1990 that are
21 presented in our paper, in Panel No. 2 paper.

22 Q. Okay. So, first of all, we have
23 adjustments which were required because of
24 non-response. Are there any other reasons why there
25 would be differences between the census figures and the

1 Statistics Canada projections?

2 A. Well -- sorry, go ahead.

3 MR. BANERJEE: A. Go ahead.

4 MS. PARE: A. Okay. Well, you say
5 between Statistics Canada projection, you're taking --
6 you're looking at two different periods of time, 1986
7 where only the count began, between 1986 and 1990 you
8 have a number of factors that contributed to the
9 population growth and one of these factors would be the
10 Bill C-31 amendment.

11 Q. Bill C-31?

12 A. Yes.

13 Q. Yes.

14 A. So it was accounted for in whatever
15 Department of Indian Affairs have provided to
16 Statistics Canada for the population projection.

17 So they would probably provide Stats
18 Canada with, I don't know, with death rate, birth rate
19 and population growth in general, and also taking into
20 account these Bill C-31 Indians.

21 Q. And am I correct that in one of the
22 responses to an interrogatory you provided the fact
23 that - and I'm reading your response to Question 13 in
24 the interrogatories:

25 "Nearly 2/3 of the population increase

1 from 1985 to 1990 is represented by
2 persons who were added to the total of
3 registered Indians via Bill C-31."

4 A. This is based on the Indian Register
5 counts that the Department of Indian Affairs had, so we
6 knew how many Bill C-31 Indians were registered every
7 year and taking into account the natural factors that
8 contributed to the population growth, these figures are
9 right, 2/3 of the total increase was due to Bill C-31
10 between 1985 and 1990.

11 Q. Thank you. Are there other factors
12 which would assist in explaining the apparent
13 discrepancies?

14 MR. BANERJEE: A. I guess - excuse me -
15 perhaps not such a moot point when you take it to the
16 aggregate level, and that would be factors such as, if
17 you based the count based on the census subdivision
18 vis-a-vis based on the counts of people based on
19 reserve, I think you would tend to find a discrepancy.

20 So number of counts based on the summary
21 of a census subdivision would be different than number
22 of counts based -- population counts based on just the
23 folks within the reserve, if you like.

24 That's another apparent source of
25 discrepancy and I doubt very much that the two could

1 ever be reconciled, I mean, these are the sort of
2 discrepancies one basically lives with if you're
3 looking at data, et cetera, of this type.

4 Q. Thank you. I just wanted to ask you
5 one general question about these population figures.
6 Did you find them easy to work with and satisfactory in
7 terms of providing you with information or not?

8 A. I guess before I answer that question
9 I would like to make probably a more broad statement,
10 Madam Chair and that is, that -- I mean, analytical
11 issues pertaining to -- or economic analytical issues
12 are not really a controlled experiment; are they? You
13 cannot put people on tablets and see how they perform.

14 You forecast the price of oil today, the
15 war in Iraq breaks out tomorrow, so the price of oil
16 goes to the floor board or to the ceiling, whichever
17 the case may be.

18 And, you know, at least in my
19 professional career it's not an unusual thing that the
20 kind of idiosyncrasy, that the kind of anomaly that we
21 have found here is really not unique compared to other
22 situations.

23 Let's take a very clear example, the
24 government for example promised that there were
25 economic analysis provided by experts in this country

1 which said that the Free Trade Agreement would bring
2 prices down; to what extent Free Trade Agreement has
3 brought prices down we don't quite know because there
4 are many other factors at play. That does not mean
5 that some number that would emerge from an analysis
6 like that cannot be taken with some credence, I think
7 that is done every day. So the kinds of analysis that
8 we find here is no different.

9 So to go back to your question now,
10 whether or not we have found it difficult. I don't
11 know if we have really found it difficult, we are sort
12 of used to this kind of difficulty, if you like, so I
13 don't know what your views are, I mean --

14 MS. PARE: A. Well, we are aware that
15 the 1986 census counts are not very accurate, but that
16 is the only data source available so we use it,
17 especially by deriving rates out of whatever
18 information we have. We tend not to the use too much
19 counts, but in terms of population you don't have much
20 other sources, other way to do it, so we use counts.

21 But whatever other analysis we want to
22 do, economic analysis, we would try to -- well, tend to
23 use rates, employment rates or whatever, so whatever
24 the counts of the enumeration wouldn't play such a big
25 role, you know.

1 MADAM CHAIR: Excuse me, did you say
2 initially that the non-response count of individuals
3 was 44,700 people.

4 MR. BANERJEE: About that.

5 MADAM CHAIR: Was that across Canada?

6 MS. PARE: Across Canada.

7 MR. BANERJEE: Yes.

8 MS. PARE: So there's difficulties
9 working with the census, but we are aware of the way we
10 should deal with these numbers.

11 MR. COLBORNE: Q. I would like to turn
12 now to page 5 of the witness statement, paragraph 5 and
13 6.

14 MR. MARTEL: Before you leave page 1, Mr.
15 Colborne, I think we had asked - and I don't know if
16 you intend to try to highlight it - about something
17 more definitive with respect to the figures on page 1,
18 6.8 of the working age population, while only 3.3 per
19 cent were employed, and I think we asked for some
20 clarification or more information in the sense of how
21 many were full time working in logging, mills, plants,
22 et cetera; how many were part time, and who was
23 employing - I'm not sure you through that last one in -
24 who was in fact employing the Indian people here, but I
25 think we had asked if it was possible to provide.

1 Because, you see, you get a 3.3 from my
2 perspective anyway and it doesn't really mean much. It
3 says half of the employable population has a job, but
4 were they in the forest industry, but it doesn't tell
5 whether it's full time, part time, whether it's three
6 weeks of planting trees a year or something like that.
7 It's not very meaningful, and I'm not sure if you
8 intend to --

9 MR. COLBORNE: I was going to be asking
10 in a few minutes--

11 MR. MARTEL: Okay.

12 MR. COLBORNE: --about exactly what the
13 census data shows on basically a community by community
14 basis. But beyond that - I don't want to try to give
15 my own evidence here - but beyond that, I think what
16 the witnesses will say is that except for information
17 of the type which they provided in the responses to the
18 interrogatories, it's simply not there.

19 Or if I could proceed, I think it will
20 just be in a few minutes until I reach that point.

21 MR. MARTEL: Yes, I just didn't know if
22 you were leaving page 1.

23 MR. COLBORNE: We're going to get to that
24 in more detail when I get to page 7, and I'm proceeding
25 paragraph by paragraph.

1 MR. MARTEL: All right.

2 MR. COLBORNE: Q. On page 5, one of the
3 subheadings is Ontario, and so this does refer to
4 information that applies to the entire province.

5 And in paragraph 6 you refer to certain
6 points from the 1986 census; that is, for example, the
7 number of Indians who have completed high school and so
8 on.

9 My question is: For all of Ontario is
10 there more recent data available than 1986?

11 MS. PARE: A. Oh yes, there are. Most
12 of these indicators would be available annually up to
13 probably 1990 for the Ontario -- at the province level.

14 If we've used the 1986 counts, it was to
15 be consistent with what we have provided for Treaty 3
16 area.

17 Q. And that's why you used the 1986
18 figures for the Ontario-wide figures?

19 A. Yes.

20 Q. So that they would be consistent with
21 Treaty 3?

22 A. (nodding affirmatively)

23 Q. Now, let me just go on then to the
24 Treaty 3 area which I think begins on the next page,
25 and particularly paragraph 9.

1 Are you saying that for the Treaty 3 area
2 there are not more recent figures, that the 1986 census
3 is really all you can work with?

4 A. Yes.

5 Q. In paragraph 8 on page 6 there is
6 contained some analysis of the economic data, but the
7 first sentence refers to the non-existence of some
8 data, that is, the production figures for the Treaty 3
9 area. Why is that data non-existent?

10 A. If we say non-existent it's really at
11 the Treaty No. 3 level, it's simply because Statistics
12 Canada doesn't report data on the Treaty area basis, it
13 would be more the geographical regions or economic
14 regions and data for Treaty No. 3 area is not reported
15 at all.

16 MR. FREIDIN: Madam Chair and Mr.
17 Colborne, it would help me if you could clarify one
18 thing now with the witnesses.

19 When you're talking about production
20 figures or statistics for the Treaty 3 area, are the
21 witnesses when they're responding, are they referring
22 to the Treaty 3 area as being the reserves within
23 Treaty 3 area, or are they talking about the Treaty 3
24 area as has been described on the map which is that
25 approximately 55,000 square kilometres which includes

1 all lands?

2 It would help me to understand the
3 evidence.

4 MR. COLBORNE: That was my next question.

5 MR. FREIDIN: Oh, or almost the next
6 question. Let me just finish with this point
7 concerning the non-existence of data.

8 MR. COLBORNE: Q. There's a reference in
9 the introduction page which I know is not yours, I
10 already advised the Board that this is something I
11 added to explain why you were here, there's a reference
12 there to confidentiality, and there was an
13 interrogatory concerning that.

14 What confidentiality factor might enter
15 into the unavailability of data for a small area, or
16 for an area smaller than the province?

17 MR. BANERJEE: A. The confidentiality
18 issue would be -- really there would be twofold
19 purposes for that. It's really guided by the confines
20 of the Statistics Act, whether that be one firm or a
21 small area really doesn't much matter, to the extent
22 that if you have two or three firms, whether they were
23 brewing industries or pulp mills in one area, data
24 would not be disclosed at that level essentially
25 because by looking at even the figures of the two firms

1 you would know the firms goings on, as it were.

2 So normally speaking what is done in
3 these cases is that the data of these two firms would
4 be suppressed and would be added on to other firms
5 within the area, so a broader number would be
6 published.

7 So that this is not a unique situation
8 that is non-existent, it would occur perhaps just to
9 the same extent if you're looking at data for Cominco,
10 I mean, it's just not there, you know, however -- or
11 Falconbridge, however largeness of the firm is, it does
12 not matter, it's just not there.

13 Q. So if the only pulp mills west of
14 Thunder Bay are Boise and Canadian Pacific, you're not
15 going to be able to get data for that because each one
16 would just deduct its own figures and know what the
17 opposition was doing; is that right?

18 A. Precisely. Not only them, but the
19 public as well.

20 Q. And the public as well. Now, I wish
21 to refer you to the second sentence in paragraph 8 and
22 this question is similar to, or identical with the one
23 which Mr. Freidin is concerned about. I will simply
24 begin by asking if, where it says, 'the Treaty 3 area',
25 in the first clause of that sentence, if it said the

1 Treaty 3 reserves, would the sentence still convey the
2 same meaning that you intended?

3 A. Yes.

4 Q. Is there a reason why you use the
5 expression 'Treaty 3 area' instead of the 'Treaty 3
6 reserves'?

7 A. The reason for that is that we were
8 essentially alluding to the land belonging to the
9 Treaty 3, to Treaty 3, and I guess if we were to use
10 the word reserve it could be a more confined notion, if
11 you like, just the reserve land itself, so...

12 MADAM CHAIR: Excuse me. And so this
13 means you include all property owned by Treaty 3 as of
14 today and you're not including land that's under claim
15 by Treaty 3?

16 MR. BANERJEE: No.

17 MADAM CHAIR: Okay.

18 MR. COLBORNE: Q. In the fourth sentence
19 in paragraph 8 I believe there is a typographical error
20 wherein a couple of words were omitted and that could
21 cause confusion.

22 So I would just like you to confirm that
23 where the words appear 'removed from these reserves
24 \$5.8-million', it should in fact read, 'removed from
25 these reserves amounted to \$5.8-million'?

1 MR. BANERJEE: A. That is correct, sir.

2 Q. That is correct. Now, there were
3 interrogatories concerning the second half of this
4 paragraph 8. Did you review those questions and
5 answers within the last day?

6 A. Mm-hmm.

7 Q. And do they continue to express your
8 explanation for how these conclusions were reached and
9 how this analysis was done?

10 A. Yes, and I think they're provided in
11 the answers and we hold by that.

12 Q. Thank you. Now, I am turning to page
13 7 and here at paragraph 10 there is a reference to the
14 number of jobs according to the 1986 census in the
15 forest related primary sector occupied by Natives.

16 And it has just occurred to me I should
17 ask you, when it reads 'Natives' there, should we read
18 registered Indians?

19 MS. PARE: A. Registered Indians.

20 Q. Yes. Now, I understand that you did
21 a complete examination of the 1986 census data to
22 arrive at that figure of 44 jobs, and you don't have to
23 repeat the problems with the census date - and, that
24 is, we're not here assuming that it's perfect - but I
25 understand that you did a complete review of it.

1 Can you just tell us step by step what
2 you did?

3 A. Okay. The way we proceeded was to go
4 using the CD, census division and census subdivision of
5 Statistics Canada rather than listing all the bands
6 names from the Treaty No. 3 and getting data.

7 So by using a map of the Treaty No. 3 we
8 have taken all of the CSDs, census subdivisions,
9 comprised in the area so we looked to get all the
10 information by CSDs.

11 And by doing so, a number of CSDs
12 wouldn't show any data, would show zeros, simply
13 because the amount -- or the number of counts would be
14 lower than 5, so you would get a zero there. By doing
15 this exercise we would obtain 15 jobs for all the
16 Treaty No. 3 in the forestry sector.

17 And the second step that we have done was
18 to look at one level of aggregation higher, because all
19 the CSDs within the census division 59 are comprised in
20 the Treaty No. 3, so by doing -- so we went to one
21 level of aggregation higher and looking at the CD 59,
22 which is the Rainy River District, there was a count
23 there of 30 jobs.

24 So the thing is that if you look at every
25 single CSD a lot of small numbers will not be reported,

1 but at a higher level aggregation you have counts. So
2 there was 30 jobs in the Rainy River District or the
3 census subdivision, and the other 15 jobs were in the
4 CD 16. So it's another CSD that showed one number.
5 All the others would show zero.

6 MADAM CHAIR: And these jobs were in
7 logging and paper mills, but not in tree planting or
8 firefighting?

9 MS. PARE: This is correct.

10 MR. COLBORNE: Q. And I understand that
11 you appended at least two documents to the replies to
12 the interrogatories which would illustrate what you
13 have just said.

14 MR. COLBORNE: I wonder, Madam Chair, do
15 you have this, because it would be --

16 MADAM CHAIR: The interrogatories, Mr.
17 Colborne?

18 MR. COLBORNE: Yes.

19 MADAM CHAIR: Yes, in front of us.

20 MR. COLBORNE: It would be useful to
21 refer directly.

22 MADAM CHAIR: Which question are we on?

23 MR. COLBORNE: Annex 1, which is part of
24 the reply to Question 12 I understand -- paragraph 12,
25 yes.

1 The documents I want to turn to are the
2 annex themselves and there are two printed documents
3 here, they're not really titled clearly, but one of
4 them has Rainy River District at the top and one of
5 them has Rat Portage 38A at the top.

6 Q. Now, if I could look at the one that
7 has Rainy River District at the top this is, as I
8 understand it, the higher level of aggregation that you
9 were referring to?

10 MS. PARE: A. Yes.

11 Q. In other words, this contains figures
12 for a number of different smaller areas?

13 A. This is right.

14 Q. They are all aggregated here. And
15 you refer to the number 30; that is 30 jobs in the
16 primary occupation of forestry--

17 A. This is correct.

18 Q. --for registered Indians?

19 A. (nodding affirmatively)

20 Q. Now, if I'm not mistaken that is the
21 number which appears in the column under the heading
22 Registered Indian under the subheading Count, the third
23 number down, 30?

24 A. Yes.

25 Q. Now, if one turns to the other

1 document Rat Portage 38A, that is the smallest area?

2 A. Yes.

3 Q. Right. This is not the aggregated
4 area, this is the smallest area --

5 A. The census subdivision.

6 Q. And after 38A it says R. Am I
7 correct that R is the--

8 A. Reserve.

9 Q. R means reserve. And you said that
10 there were 15. Now, is that the number 15 that occurs
11 in the same location as I just referred to a minute
12 ago; that is, under the heading Registered Indian
13 Count, Primary Forestry 15?

14 A. Yes.

15 Q. Now, just so I am clear then, in the
16 area that the Rat Portage reserve is a large part -- or
17 is a small part of, you examined all the other
18 registered Indians or communities that would contain
19 registered Indian populations and it was zero in all
20 cases; is that correct?

21 A. Yes.

22 Q. And actually I'm not clear what your
23 evidence was on this. If you took the aggregated
24 number for the entire area that Rat Portage 38A is a
25 small part of, what number would be found for registered

1 Indians in forestry?

2 A. If we would have looked at the CD 60
3 which is the R level of aggregation for Rat Portage, we
4 would have accounted a portion of the whole district
5 that is not part of Treaty No. 3.

6 Q. Okay. That would have taken you out
7 of--

8 A. Yes.

9 Q. --the Treaty 3 territory. So the
10 aggregated number would not have--

11 A. Couldn't be used to determine --

12 Q. You would not have known where it
13 came -- whether it was a number that included
14 registered Indians within Treaty 3 or not?

15 A. This is correct.

16 Q. All right.

17 MADAM CHAIR: I guess what is of most
18 interest to the Board with this number of 45 jobs, what
19 sort of confidence do you have in that; that is, are
20 there likely fewer jobs than that, are there likely
21 more jobs than that, or that is probably representative
22 as the best marker we have?

23 MS. PARE: I would say that from the
24 census information we have there's two ways of
25 presenting the data, it's either by employment sector

1 or industrial sector.

2 We have used here the industrial sector
3 because at the CD level and CSD level the forestry
4 industry would fall with other primary industries, so
5 we wouldn't have any breakdown for forestry.

6 Now, when people are asked what kind of
7 job did you have or do you have, it's not always clear
8 in peoples' minds exactly in which sector they should
9 say they are working.

10 If the survey is not really explicit on
11 certain type of jobs, it's possible that people would
12 not be counted in the right sector.

13 If we take the example of, say, a
14 secretary working for Boise cascade and if the survey
15 only said: Okay, which industry do you work in, is it
16 agriculture or is it manufacturing or is it forestry,
17 then she may associate her job with the forestry sector
18 and say it's forestry, but she's a secretary, so it's
19 clerical work and should be in the social sector, not
20 in the forestry. So the answers provided often could
21 lead to counts that are not necessarily very accurate.

22 Q. Just on that last point, if you look
23 at the numbers for the Rainy River district that I
24 referred you to a minute ago, there is that 30, that is
25 the total number of registered Indians in the district

1 employed in forestry, according to this table; but then
2 if you look at the male and female breakdown, am I
3 correct that 10 of those 30 are female?

4 A. Yes.

5 Q. And would you agree that that is far
6 out of proportion to the proportionate number of
7 females in forestry in the total population? In other
8 words, one-third of the registered Indians who are in
9 forestry are supposedly female, whereas less than
10 one-tenth of the total population in forestry are
11 supposedly female?

12 A. Yes.

13 Q. As a person who examines data of this
14 kind as part of your work, would you expect to see that
15 kind of proportionate discrepancy?

16 A. No, not really.

17 MR. BANERJEE: A. From our general view
18 by looking at the distribution of people in the various
19 occupations exhibited in the census data, and that is
20 if you take the broadest categories, primary
21 industries, secondary industries, and tertiary, namely,
22 services, et cetera, we find that the proportion of
23 males exceed that of females, particularly the
24 proportion of males far outweigh those of females in
25 the primary industry. Forestry being the primary

1 industry, the numbers that you see here for females,
2 you know, it makes you wonder. That's the answer I
3 guess.

4 Q. I am turning now to page 8 and in
5 paragraph 14 you provided us about six months ago with
6 a forecast for the economy as it related to forestry.

7 Can you do the same now?

8 A. If as you see that the paragraph
9 14 -- because in my directorate of economic policy
10 analysis, we don't undertake map or economic or
11 sectoral forecasts of this country. We use it,
12 however, we look at other reputed firms such as
13 Informetrica or Conference Board, et cetera.

14 We looked at the figures used by the
15 Conference Board, published around November of 1990,
16 and that's what's footnoted on page 8. But at the same
17 time, I guess in the vein of the profession, if the
18 forecast turned out to be correct, we would be doing
19 injustice really because they never turn out to be
20 correct.

21 But anyway, apart from that, I think it
22 is generally accepted now, Mr. Colborne, that -- last
23 week Statistics Canada published the figures for
24 January, February, March of this year, and the numbers
25 showed that the economic downturn which most people -

1 actually this in the Canadian context - had expected
2 that it was going to be over, it is not quite the case.

3 So broadly speaking I think it would be
4 correct to say that what we had anticipated to happen
5 this summer is probably being delayed by another five
6 or six months. I think that is the general consensus
7 view of the business economists and that's probably the
8 view that a general economic forecaster would provide
9 you. I don't think there is anything drastically wrong
10 with that.

11 Q. Would that cause you to change in any
12 very substantial way any of the comments that you made
13 with respect to the outlook for the forestry sector
14 that is contained in the witness statement?

15 A. No, I don't think so, only to the
16 extent -- well, no, it wouldn't. I mean, we refer to,
17 for example, as you see in this report, we allude to
18 structural change emanating from such as the Free Trade
19 Agreement, et cetera, and those things would still
20 hold.

21 Really whether or not the pulp and paper
22 industry would benefit from a growth of "x" per cent
23 versus "y" per cent really is inconsequential to what
24 is being discussed here. I don't think it would really
25 change our view of what it ought to look like or what

1 it does indeed look like today.

2 Q. I am turning now to page 9, paragraph
3 18. In here the projected growth of the Indian
4 population is referred to. And the clarification
5 question I have is whether those growth figures include
6 or do not include persons joining or expected to join
7 the population identified legally as Indian via Bill
8 C-31?

9 MS. PARE: A. It includes Bill C-31
10 Indians.

11 Q. So the increase here is not just the
12 natural increase, it's the natural increase plus the
13 additions via Bill C-31?

14 A. Yes.

15 Q. I'm now turning to page 10.
16 Paragraph 23 refers to a decline, at least in
17 percentage terms, of production by Indian enterprises
18 from Indian reserve land. Is that what this paragraph
19 is dealing with in part?

20 A. Yes.

21 Q. And there was an interrogatory in
22 regard to this which would be Question No. 17. Did you
23 have an opportunity -- no, I think it would be Question
24 18. Did you have an opportunity to examine Question 18
25 and the reply that you provided to it within the last

1 day?

2 A. Yes.

3 Q. And I understand that you now see the
4 question in a different way, and perhaps your answer is
5 different. Could you just clarify that.

6 A. Yes, we reviewed our answer and there
7 was a misinterpretation of the question. The answer
8 should have been "Yes."

9 Q. That would be the answer to Question
10 18B: Do the witnesses agree that this fact indicates a
11 consistent increase in native harvests from Ontario
12 Crown lands? And the answer is that "Yes, it does
13 indicate that"?

14 A. Yes.

15 MR. BANERJEE: Madam Chair, if I could
16 draw to your attention on page 10, the sentence ends by
17 saying: "The native population in Ontario is expected
18 to grow by 3.5 per cent." In this case of the native,
19 we are really meaning the whole aboriginal population
20 in Ontario and not registered Indians. We just wanted
21 to clarify that because --

22 MADAM CHAIR: Not the 2.2 per cent
23 referred to --

24 MR. BANERJEE: Exactly. It is the whole
25 aboriginal community we are referring to and this is

1 why the figures are different.

2 MR. COLBORNE: I am turning now to page
3 11, and on page 11 there was a typing error of
4 significance that causes loss, really, of the entire
5 sense of the concluding sentence in paragraph 29.

6 I am not saying that this is the only
7 typographical error in our witness statements. In
8 fact, I am intending to file an errata summary because
9 there are quite a number of minor ones which could
10 cause confusion to a very careful reader. However,
11 this one is serious in that the conclusion of paragraph
12 29 simply makes no sense at all, so I thought it would
13 be useful to read it into the record in case anything
14 turns on it in terms of cross-examination. It might
15 take me just a moment though to get this clear.

16 Yes, here is the way the final sentence
17 in paragraph 29 should read: "The evidence shows that
18 it... - and the words 'would have gained substantially'
19 just don't belong there; the following words belong
20 there:

21 "The evidence shows that it would be
22 most beneficial to Indian bands to
23 prioritize a greater involvement in the
24 manufacturing side of the forest
25 activities."

1 And as I said I just wanted to put that on
2 the record. It is possible that some cross-examination
3 would have to do with that and I didn't want to leave
4 it uncorrected at this stage.

5 Q. Now, witnesses, could you turn to
6 page 13. And under the heading 5.6 "Evidence of
7 Benefits from Forest Management Programs", you have
8 referred to a study analysing the Stuart-Trombley Lake
9 Band and what they are or were doing.

10 Why did you select this particular
11 example?

12 MR. BANERJEE: A. The Stuart-Trombley
13 Lake Band referred to actually paragraph 34 and not 30;
14 that's not the last mistake either because the
15 following paragraph is 35 and not 31.

16 The reason that we looked at that is that
17 it is a good example if you like of forestry activities
18 owned by the aboriginal people, it's a good example,
19 and I guess it should be pointed out that it's really
20 not a prescription of the example if you like. I mean,
21 it is a good example to see, learn from, but
22 essentially what -- for the reason that we looked at
23 it.

24 Q. Are there a lot of other examples
25 that you could have -- that you could have examined?

1 A. Perhaps not a lot. I mean I have
2 been extensively involved in the preparation of the
3 economic and fiscal impact of the B.C. land claims,
4 dating back well over two years now, at least the
5 economic impact portion.

6 At least not what went for negotiation
7 purposes, I suppose, but at least for the analytical
8 context, we tried to look for sort of micro data or
9 small case studies, and I think this is one of them
10 that basically stood out. And so one of the more
11 successful stories if you like.

12 It depends on the context, Mr. Colborne.
13 I mean if one is looking at tourist -- because I guess
14 I am involved in numerous array of economic
15 development-type issues, if one is looking at tourist
16 example, I suppose the Sorrage Valley (phoen.) resort
17 in Northern Alberta would be a perfect example once
18 again to look at. But that is not a prescription of a
19 tourist operation because there are numerous tourist
20 operations but that one again is run by the aboriginal
21 people. So in the same vein we looked at the
22 Stuart-Trombley. I don't know if I'm clear or not.

23 Q. Well, what would make it particularly
24 convenient to look at?

25 A. I suppose that it's an operation

1 which is successful, and the data tell us that
2 essentially - if I can once again use that term - it's
3 basically a success story. It's a fairly viable
4 operation; there are good indicators coming out from
5 this particular study, and by those I mean the decline
6 of social dependency or people depending on social
7 assistance, et cetera, type government transfer type
8 payment and being employed into this forestry
9 operation; good management practices that are being
10 exhibited; sort of a responsible operation. To date at
11 least, that's what the data show. It's not been around
12 for the last 50 years, or whatever a forester would
13 need to vouch for that, but these are the things that
14 would lead you to look at this particular forestry
15 operation.

16 MR. MARTEL: When you are reviewing a
17 case like this, do you look at the social impact as
18 well? Do you review the social impact of having full
19 employment as opposed to when you are looking at all
20 the economic indicators; for example, you mention a
21 reduction in the necessity for state assistance through
22 transfer payments. Do you also look at the other
23 factors that seem to plague native communities because
24 of unemployment and so on?

25 MR. BANERJEE: Yes, sir, we do. Once

1 again if I could, because it's a significant issue the
2 B.C. land claims amounting to substantial amounts of
3 money, when we provided the economic impact, those were
4 all as we would call it using a latin term ex senti
5 (phoen.) analysis, meaning to say what would happen if
6 this was the case. We don't have any evidence of the
7 exposed, what has happened.

8 So, in terms of what has happened, we
9 have and we tend to look at in the case of B.C. claims,
10 we looked at funding that -- well, funding from
11 settlements in small specific claims areas, and I am
12 not just referring to the specific claim exercise that
13 is going on at the moment, essentially just small
14 pockets of claims. And we very particularly looked at
15 employment and social assistance issues.

16 One would really need to look at I
17 suppose -- or not need to, but it would be nice to know
18 other social indicators such as incarceration rates,
19 you know, visits to the social workers because really
20 all of these things are a function of what economic
21 development is bringing about on that particular
22 reserve.

23 But going back to what we precisely
24 looked at and what what we found is that our data
25 showed that for these reserves and for these nations

1 where funding flowed and the settlement took place and
2 the money was used for various economic development
3 purposes, whether that be fisheries or forestry or
4 other natural resource type developments, there was a
5 significant decline in social assistance cases.

6 So to answer, to clarify it one step
7 further, you know, we are often - "we" meaning the
8 profession - are often, and I suppose we are from time
9 to time asked to provide benefit/cost analysis of
10 whatever that case may be, the impact of a development
11 scenario or impact of whatever, you know, some kind of
12 a capital project, et cetera.

13 The economic arguments are easier to
14 measure, what we would call the efficiency argument,
15 and that's once against the jargon, but the economic
16 arguments are easier to measure.

17 The other side, what we would call using
18 the jargon, the distribution alarm impact, meaning the
19 social issues are not so important or not so easy to
20 measure simply because the data is not there; even if
21 it is there, you may not wish to reveal what the
22 suicide rate of a particular region is. These are very
23 sensitive and delicate issues.

24 However, one needs to look at proxies
25 which would measure indicators of that type, so you

1 could assess some kind of, at least "you can put some
2 kind of an economic value to these things" because
3 after all, if you had, for example, imprisonment rate
4 or something like that, well, you could associate -
5 apart from the social cost which is really beyond
6 measurement - what it would cost the government if
7 these kind of funds were put to training programs as
8 opposed to the prison maintenance, et cetera, if you
9 know what I am getting at.

10 So indeed that would and it should and it
11 does form a significant part of the analysis. Yes, it
12 does.

13 MR. COLBORNE: Those are my questions of
14 these witnesses.

15 MADAM CHAIR: Thank you, Mr. Colborne.

16 Mr. Freidin, would it be helpful if we
17 took a break before you began your cross-examination?

18 MR. FREIDIN: I think so.

19 MADAM CHAIR: All right. We will be back
20 in twenty --

21 MR. FREIDIN: Right now I don't think I
22 am going to be very long, but there are two documents
23 which were given to me this morning which were
24 documents which Mr. Colborne said that he would provide
25 as part of answers to interrogatories.

1 I think if I could have have an hour I
2 would like to just skim them. I think they are
3 probably going to end up being filed and I just wonder,
4 there may be a question or two that I want to ask.

5 MADAM CHAIR: Yes, that's fine. We will
6 be back at about quarter to eleven.

7 Before we go, there is one -- sorry, with
8 respect to Exhibit 1883 yesterday, Ms. Blastorah had
9 asked - and I overlooked the fact - that that should be
10 Exhibit 1480B to go with the previous evidence. And so
11 your witness statement, Mr. Colborne, will be Exhibit
12 1883, not 1884, and there is no -- the last exhibit of
13 yesterday is not 1883, it is Exhibit 1480B. Sorry
14 about that.

15 ---Recess at 10:15 a.m.

16 ---On resuming at 11:00 a.m.

17 MADAM CHAIR: Mr. Colborne.

18 MR. COLBORNE: I have concluded my
19 examination-in-chief.

20 MADAM CHAIR: Excuse me, of course you
21 have.

22 Mr. Freidin.

23 MR. FREIDIN: Madam Chair, I have put on
24 the Board's table - two in front of Mr. Martel and one
25 in front of you - copies of the questions and answers

1 to MNR interrogatories for this panel. I would ask
2 that they be marked as the next exhibit.

3 MADAM CHAIR: These will be Exhibit 1884.
4 And there are 25 questions in this package?

5 MR. FREIDIN: Yes.

6 ---EXHIBIT NO. 1884: Questions and answers to MNR
7 interrogatories for Panel 5.

8 MR. FREIDIN: Just as a matter of
9 procedure, Madam Chair, you indicated that it has been
10 helpful when the questions and answers are filed in the
11 format that those are with the question and the answer
12 appearing together.

13 It is not in every situation of course
14 that the Ministry files all of the interrogatories that
15 it asks and of course the same is true for other
16 parties.

17 I just suggest it might be worth
18 considering a direction to the other parties that I
19 think that they be asked to file their answers to the
20 interrogatories in this format. It certainly would
21 assist us in dealing with them in an expeditious way.
22 And if you are reviewing them all, as I understand you
23 are, it might be useful to the Board as well. I just
24 make that suggestion for whatever use it might be.

25 MADAM CHAIR: Thank you, Mr. Freidin. We

1 will consider that. There are situations where there
2 are so many interrogatories that parties don't even
3 refer to, that I don't think we see the value in having
4 those completely exhibited.

5 MR. FREIDIN: Right, okay.

6 MADAM CHAIR: But in cases like this, we
7 certainly do.

8 CROSS-EXAMINATION BY MR. FREIDIN:

9 Q. Now the first question that I would
10 like to ask you about is the results of the 30 people
11 working in the Rainy River return and the 15, or
12 whatever the other number was, on the Rat Portage
13 Reserve.

14 I understand that those figures are the
15 result of looking at the long forms on the census, like
16 it's a one in five sample that you are using?

17 MR. BANERJEE: A. That's correct.

18 Q. And I also understand that it was on
19 the reserves that there was a problem with the '86
20 census in that there were low returns; is that correct?

21 A. There were low returns across the
22 country. I think the low returns were principally
23 concentrated in the provinces of British Columbia and
24 some parts of Alberta. If my memory serves me right,
25 it's the western part of Alberta, but they are across

1 the Board, sir.

2 Q. Do the low returns have any effect on
3 the reliability of the information, the projections
4 that you make based on looking at those individual
5 numbers?

6 A. Not any more than what the national
7 number or the projection from the national numbers
8 would tell you, so it is not particular disadvantage
9 from that flaw if you like.

10 Q. Now, I have also provided to each of
11 you a copy of the interrogatories which were just filed
12 as an exhibit. If I might, I would just like to ask
13 you a few questions about them. Could you turn to
14 Interrogatory No. 5, please.

15 This refers to page 3 of the witness
16 statement. There is a statement there that says "The
17 Northwest region is the second biggest producer of
18 forest-related products in Ontario and the forestry
19 sector largely dominates the economic scene."

20 Question C was: Do the witnesses agree
21 that the forestry sector is very significant to the
22 economic stability of this region? And in the answer,
23 you indicate in the third line that you looked at the
24 value added and employment of that sector as a
25 proportion of that economic region.

1 Could you tell me why you used value
2 added in order to respond to that question. I am not
3 being critical of you using it; I'm just wondering why
4 you chose to take that approach.

5 MS. PARE: A. By looking at either the
6 value added measure or the value of shipment, you would
7 have come to the same conclusion we have stated in our
8 report about the same conclusion but using the value of
9 shipment.

10 Q. Is there any reason that you used
11 value added as opposed to looking at stumpage value
12 paid by the industry only? I will be quite candid with
13 you. There has been some debate here in the hearing as
14 to whether when you look at what the value of this
15 industry is, you should look at stumpage value or
16 whether you should look at value added.

17 A lot of people have said you should look
18 at the manufacturing and some people have said look at
19 the stumpage. You have tended to go with the former.
20 I was wondering why you did that. Again I am not being
21 critical; I want to know why you did that.

22 MR. BANERJEE: A. Value added is in the
23 economic analysis, both methodology and literature. It
24 is a well accepted indicator. One of the arguments, in
25 fact, I think Mr. Poole pointed out yesterday, if I

1 remember correctly, that the numbers of jobs of the
2 value added if you like was higher in other countries.

3 Our exports coming from the forestry
4 industry or the fortuitious situation of a positive
5 trade balance essentially is due to the exports of the
6 natural material as it were, whether that be logs and
7 iron ore or whatever.

8 But if we were to compare two industries,
9 I think it would be correct to look at the value
10 indicator because it essentially gives you the bottom
11 line in terms of employment, et cetera, and it being a
12 proper indicator used in a whole array of analysis, no
13 matter what you are looking at. That's the principal
14 reason for using the value added approach as we have
15 adopted here.

16 Q. Okay, thank you.

17 If you could turn to Interrogatory No. 6,
18 I only refer you to this because Mr. Martel asked a
19 question about this phrase which indicates that Status
20 Indians in the Treaty #3 area accounted for 6.8 per
21 cent of the working-age population while their
22 employment share in the forestry sector was only 3.3
23 per cent. And I just wanted to confirm that you still
24 stand by the answer to Question B? There is no change
25 in your answer?

1 MS. PARE: A. No.

2 Q. Thank you.

3 Could you turn to Interrogatory No. 12,
4 please. Interrogatory No. 12 refers to page 7 of the
5 witness statement and --

6 MR. MARTEL: Could I ask a question
7 before you go on, Mr. Freidin, with respect to that
8 last part of B.

9 MR. FREIDIN: Sure.

10 MR. MARTEL: "We believe", it says, "that
11 for candidates with the same qualifications, there is
12 no excuse for not hiring natives over non-natives."

13 Certainly we have heard from the native
14 community over the past couple of weeks. And I think I
15 am right in saying that they felt that the job
16 opportunities weren't there, some of that reason being
17 that they were Indian and that there was some bias
18 involved.

19 Your answer doesn't take that factor into
20 consideration at all, that that could occur - I am not
21 saying that it is - but that it could occur or could be
22 the case?

23 MS. PARE: It could be the case, but we
24 still believe that it shouldn't be there.

25 MR. MARTEL: It shouldn't be, but in the

1 real world...

2 MS. PARE: In the real world, yes.

3 MR. FREIDIN: Q. Could you turn then, to
4 Interrogatory No. 12. The portion of the witness
5 statement at page 7 says that according to the 1986
6 census, natives occupied 45 jobs in the forest-related
7 and primary sector or a mere 3.3 per cent of that
8 sector's employment. Fourth, management projects
9 constitute another source of employment. This is a
10 paraphrase of your witness statement. Statistics
11 compiled by the Indian Forestry Development Program
12 show that silviculture and IFDP operations have
13 necessitated 9 person-years annually.

14 Question C: Do the witnesses agree that
15 forest-related primary sector in the 1986 census does
16 not include jobs related to activities such as
17 silviculture or tree nurseries? And your answer was
18 "Yes" to that. Is that correct?

19 MS. PARE: A. Yes, in the 45 jobs.

20 Q. But it did not include activities
21 such as silviculture or tree nurseries?

22 A. No, it did not include these
23 activities.

24 Q. Am I also correct that in responding
25 to that census, none of the reserves reported

1 employment in hunting, fishing, and the trapping
2 sector? I think you can confirm that by looking at
3 your answer to E.

4 A. Yes.

5 Q. Thank you.

6 A. Well, we looked and effectively there
7 are no jobs reported for these activities.

8 Q. Right. The way the form is set up,
9 you don't ask for that or they don't provide that
10 information?

11 A. Exactly.

12 MADAM CHAIR: Excuse me.

13 Ms. Pare, is your evidence given this per
14 cent of the native working age population and the
15 number of jobs they could fill, if there were another
16 45 or 50 jobs in logging and manufacturing, which would
17 bring it up to the 6.8 per cent share of that
18 employment, which would be twice as many jobs as Treaty
19 #3 members have today, are you saying then that you
20 couldn't in any way say that Indian people were not
21 equally employed in an economic theoretical way?

22 You are saying they are disadvantaged now
23 because the 3.3 per cent of the employment that they
24 hold is half of what they should be holding; that that
25 translates into another 45 or 50 jobs, and that's what

1 you are saying. You are saying --

2 MS. PARE: Well, without saying that they
3 should at least represent 6.8 per cent of the jobs in
4 the forestry sector, we are just stating that what they
5 represent in terms of population within the whole area
6 and how many jobs they are occupying in the forestry
7 sector doesn't discrepancy that, it is not necessarily
8 based on any specific reason.

9 MADAM CHAIR: No. No. And I understand
10 that. It just seemed to me that the total, it may be
11 in your witness statement and I didn't see it, but the
12 total employment for forestry in Northwestern Ontario
13 would be about 1500 jobs in logging and manufacture.

14 MS. PARE: And in our total numbers --

15 MADAM CHAIR: In the Northwest.

16 MS. PARE: Yes.

17 MADAM CHAIR: Okay, thank you.

18 MR. FREIDIN: Just for the Board's
19 records, the reference to Bill C-31 and whether the
20 population was included or not is Interrogatory 13.
21 The relationship of Bill C-31 and the census is dealt
22 with that in the interrogatory.

23 Q. Could you turn to page 19 -- pardon
24 me, Interrogatory No. 19. Again I just want to bring a
25 correction to the Board's attention now. And you will

1 note, Madam Chair, that there should be a change to
2 paragraph 24 in that the information relates to
3 Ontario.

4 MADAM CHAIR: Are we on Question 14?

5 MR. FREIDIN: Question 19. Again these
6 may have been picked up by Mr. Colborne as errata, but
7 I just thought that we might just as well direct your
8 attention to these now in case there is some reliance
9 on them by the Board in coming to their decision.

10 There is another correction as a result
11 of Interrogatory 21. Again it's just changing the
12 12.8-million annually, which appears on page 11, to
13 10.8.

14 MADAM CHAIR: That was 21, Mr. Freidin?

15 MR. FREIDIN: Yes.

16 Q. And the last matter which I would
17 just liked clarify arises out of Question 25, the last
18 question, the last page.

19 MR. BANERJEE: A. Before you go to that.

20 Madam Chair and Mr. Martel, if I could
21 make a point. In view of the interest expressed on
22 these two numbers, this is employment, proportion of
23 employment, the 6.8 and 3.3, I guess the reason that we
24 focussed on this thing is that by looking at the
25 share -- first of all, recognizing the marginal or the

1 low labour market participation of the aboriginal
2 peoples generally, no matter what sector you were in
3 within the economy at large, the figures are very
4 disappointing, they are dismal.

5 In particular, when you look at the
6 demographic numbers, no matter whose number you take,
7 Statistics Canada or other agencies, it is quite clear
8 that the proportion of aboriginal, whether that be
9 Status Indian or all overall aboriginals, within the
10 core labour market entrance is fairly high in the
11 Prairie provinces and regions such as Northwestern
12 Ontario.

13 That being said, the point that we were
14 trying to see is that the type of activities and the
15 industries that surround these regions where there is a
16 possibility of these people being employed, not being
17 within the confines of strictly employment equity sort
18 of argument but in a broad general economic development
19 argument, we find fairly alarming figures, and this is
20 the reason we wanted to point that out.

21 Our experiences and our analysis from
22 other areas show that the core labour market entrance
23 as we refer to 15 to 34 year olds is very, very high,
24 in two digit figures, well into the two digit figures
25 in the prairie provinces starting from -- well,

1 starting from here and west, and this is sort of the
2 crux of the low labour market participation issue. It
3 doesn't particularly matter whether that's forestry,
4 natural resource sector, whatever those sectors are, we
5 are talking about economy at large, then you can look
6 at -- I'm sorry, sir.

7 MR. MARTEL: They're just not hired.

8 MR. BANERJEE: Not at all.

9 MR. MARTEL: Well, has Ottawa considered
10 a type of program that would see the numbers being
11 hired equivalent to the percentage that they represent
12 in the workforce?

13 I notice in Treaty 3 -- the reason I ask
14 that too, Treaty 3, I think last week Mr. Colborne said
15 they didn't want an equity program because they feared
16 a backlash.

17 MR. BANERJEE: Yes.

18 MR. COLBORNE: Well --

19 MR. MARTEL: I think that's in essence --

20 MR. COLBORNE: I don't think that's what
21 I said. I said my clients -- I believe that what their
22 evidence will be in Panel 6 is that they don't want it
23 because they don't think they need it. They're not
24 some kind of odd ethnic group that needs a break.

25 If their land rights were respected, they

1 wouldn't have any more problems than Canadian Pacific
2 has and they would not have to be coming forward with
3 hat in hand.

4 Canadian Pacific got its lands rights in
5 this country at the same time they got theirs. Nobody
6 took Canadian Pacific's land away.

7 MADAM CHAIR: That was your statement,
8 Mr. Colborne. You said that your clients were not in
9 favour of affirmative action because they believed that
10 if their environmental and other rights were satisfied,
11 that is what they want, and they're not looking for
12 handouts. I believe that is the way it's stated in the
13 witness statement.

14 MR. COLBORNE: Yes.

15 MR. MARTEL: Well, it's my error, but I
16 thought that that's what was being overtly suggested,
17 that it could lead -- I mean, we've had some
18 experiences in northern Ontario where that has, I'm
19 sure you're aware of, occurred in the past and I
20 thought that's what was being -- regardless of that
21 factor though, the main point is that Natives aren't
22 hired in the numbers they should be hired in according
23 to the stats that are presented to us.

24 MR. COLBORNE: Yes. Just while we're
25 discussing this, and I know we're walking into Mr.

1 Freidin's cross-examination, but I would like to point
2 out that mere arithmetic equivalents, the 5.8 with 5.8,
3 doesn't necessarily work because you also have to look
4 at the type of occupation. You're going to have a
5 certain number of non-Indians as investment bankers,
6 chances are you're not going to have Indians in that
7 category.

8 And similarly with -- we just have to
9 look around to see that people that live in the forest
10 are more likely to be employed in primary industries
11 so, therefore, 5.8 may not be in fact the equitable
12 level of employment in a primary industry.

13 MADAM CHAIR: I think your point, Mr.
14 Banerjee, if I could summarize one aspect of it, is
15 that given the availability of employment in
16 northwestern Ontario generally for any individual or
17 any group, the fact that you have a particular group
18 with a young and rapidly growing population makes their
19 outlook for employment even more dismal than it does
20 for the general population.

21 MR. BANERJEE: That is correct, based on
22 what the records show to date.

23 MR. FREIDIN: Q. The last series of
24 questions - and these will be questions - arise out the
25 document that Mr. Colborne gave me this morning. I'm

1 not sure whether you have a copy of that document in
2 front of you.

3 MR. BANERJEE: A. No, sir, we don't.

4 Q. All right. The document that I'm
5 referring to is - it was given to us in response to an
6 interrogatory, it's the report by Allan Hopwood which
7 is referred to on page 13 of the witness statement,
8 paragraph 30, and it's the one which deals with the
9 Stuart Trembleur Lake Band involvement in forestry that
10 you referred to.

11 Now, you don't have that document in
12 front of you, Mr. Banerjee?

13 A. No, I don't, sir.

14 Q. All right.

15 MR. FREIDIN: Well, perhaps - and, Madam
16 Chair, I tried to get copies made over the break and
17 our xerox machine broke down.

18 I thought the best way to deal with this
19 is, I will just read certain portions to the witness
20 and he can indicate whether he can confirm the accuracy
21 of the comments made in the report or not.

22 Q. First of all, I understand that this
23 is a report which was prepared by Mr. Hopwood as part
24 of the Forest Resource Development Agreement.

25 Who commissioned the report? Do you know

1 who --

2 MR. BANERJEE: A. I believe it was
3 commissioned under the auspices of the Forestry
4 Association but I have to check the front page of the
5 report to see what it says.

6 Q. All right. I just see it here, it
7 says:

8 "This is a summarized report from a
9 study jointly funded by the 1985-1990
10 Canada/British Columbia Forest Resource
11 Development Agreement and by the Federal
12 Lands Forestry Branch of Forestry
13 Canada."

14 Is that consistent with your information
15 then? That's what it says on the first page.

16 A. Mm-hmm.

17 Q. It's my understanding by looking at
18 this report in the very short period of time that I had
19 that the lands in question that are being managed are
20 made up of both reserve land and Crown land; is that
21 correct?

22 A. Yes.

23 Q. Am I correct that approximately 98
24 per cent of the land in question is Crown land? If you
25 don't know that's fine.

1 A. Yeah, I don't know the detail either
2 at the moment.

3 Q. Okay.

4 A. The number itself. You can only keep
5 so many numbers in your head.

6 Q. Okay. This document indicates, and
7 can you confirm for me, that the Band in question
8 obtained a tree farm licence through competitive
9 bidding, I think that is stated in your own witness
10 statement?

11 A. It is.

12 Q. It is also my information, and this
13 is from the report:

14 "That the forestry operations to be
15 conducted both on the reserve land and on
16 the Crown land will be done in accordance
17 with a five-year management and working
18 plan which will be as required by the
19 British Columbia Forest Act and that the
20 provincial standards for forest
21 management will be complied with."

22 A. That is correct.

23 Q. There's a comment on page 6, and this
24 report is dated November of '88 and I just wanted to
25 know whether this is still your view.

1 It says:

2 "At an early stage in the project it
3 became apparent that the two bands..",
4 part of this report deals with the Coldwater Band as
5 well:

6 "...it became apparent that the two
7 bands periods of involvement in
8 comprehensive forest management programs
9 were too short to make totally valid the
10 comparisons of their socio-economic
11 situations before and after their
12 forestry programs began.

13 "It also soon became clear that the
14 quantity and quality of the band's and
15 Indian and Native Affairs Canada
16 socio-economic data made these data an
17 insufficient basis for a traditional
18 'clean' benefit cost analysis.

19 "Even extrapolation and projection
20 the economists usual solutions to such a
21 problem were deemed to be too theoretical
22 for a valid analysis."

23 Now, that was the statement which was
24 made by the author in 1988. Is that statement as valid
25 today as it was in 1988, as far as you are aware?

1 A. I don't know. The deficiencies data,
2 if those could be bridged today that statement might
3 not be valid.

4 As we pointed out at the outset to this
5 morning, that we have looked at some specific bands,
6 actually coincidentally enough in the Province of
7 British Columbia and we looked at pre- and post-
8 situations, before certain operations on began and
9 after certain operations began, and our analysis more
10 than confirmed that - as this refer, I forget the
11 word - the socio-economic indicator, the socio-economic
12 issues, the more than benefitter -- the significantly
13 benefitted from the operations.

14 So it would be my view that if
15 appropriate data were available those reports today
16 would say that our records show -- our analysis show
17 that they were beneficial. That would be my
18 professional view.

19 Q. All right. And I thank for your
20 evidence.

21 MR. FREIDIN: Those are my questions.

22 MADAM CHAIR: Thank you very much, Mr.
23 Freidin.

24 MR. BANERJEE: Thank you.

25 MADAM CHAIR: Mr. Colborne, do you wish

1 to re-examine?

2 MR. COLBORNE: Very briefly. I mentioned
3 these points myself, but more in discussion than as a
4 question, so I believe I should elicit something on
5 these points from the witnesses.

6 RE-DIRECT EXAMINATION BY MR. COLBORNE:

7 Q. And it has to do with the enquiry
8 from the Chair as to whether if you added to the 1986
9 census employment figures 45 jobs into the status
10 Indian column, would that bring the Indian
11 participation in forestry up to and equal or equitable
12 level with that of all residents in the relevant area.

13 My question in relation to that enquiry
14 is: Is it also appropriate, given economic principles,
15 to examine the type of occupation?

16 And you heard me in my comments suggest
17 that it was; that is, depending on where people live
18 they are more likely or less likely to work in certain
19 fields.

20 So I don't want to lead you any more than
21 that, but from an economic perspective, what do you
22 have to say on that topic?

23 MR. BANERJEE: A. Even if the 45 jobs
24 were added it would still be below an optimal
25 situation, if you like, as it were.

1 Q. Why would that be?

2 A. I guess I'll have to go back to my
3 point of the proportion of status Indian within the
4 labour force in this area, and if you draw your
5 attention to table -- to the demographic table, and
6 that's provided in table -- Table 5, you see that what
7 we refer --

8 MR. FREIDIN: I'm sorry, where?

9 MADAM CHAIR: Excuse me. Are you in your
10 witness statement, Mr. Banerjee, or the
11 interrogatories?

12 MR. BANERJEE: What?

13 MADAM CHAIR: Are you in the witness
14 statement?

15 MR. BANERJEE: Yes.

16 MADAM CHAIR: And which page?

17 MR. MARTEL: Which page?

18 MR. BANERJEE: I'm sorry, it is in our
19 report Table 5 towards the end.

20 MS. PARE: The tables are at the end.

21 MR. BANERJEE: Prior to the tab of
22 witnesses.

23 MR. MARTEL: Okay.

24 MADAM CHAIR: Thank you.

25 MR. BANERJEE: If you look at the bottom

1 of the table, principally the age 15 to 34 which we
2 keep referring to as the core labour market entrance,
3 you would -- the numbers speak for themselves when you
4 see the proportion of people within the region.

5 And, you know, there's two standard
6 practices that's often used, one is the core -- in
7 labour market analysis such as this, one is the core
8 labour market entrance, the other one is the prime age
9 workers and there are reasons why particular focus is
10 placed on these two age groups.

11 Labour market entrance, the argument
12 there is that: What's the transition like from school
13 to jobs, are they successful in the labour market,
14 yes/no, how are they faring.

15 Insofar as the prime age work group goes,
16 which is somewhere between 35 and 45, a number of
17 studies, unemployment organization for example, they
18 have programs and analysis direct to the prime age
19 workers, and the economic arguments there are that:
20 what are the chances are retraining, re-employment, et
21 cetera, et cetera. So these are two groups of people
22 that are often used in labour market analysis.

23 So to go back to Mr. Colborne's question
24 and by referring to these numbers we doubt that by
25 adding those 45 jobs it would still be, as I said

1 earlier, optimal by looking at the share of the folks
2 that are in the market today.

3 MR. COLBORNE: Thank you. That is my
4 re-examination.

5 MADAM CHAIR: Thank you, Mr. Colborne.

6 Thank you very much, witnesses. We
7 appreciate you travelling to be with us and presenting
8 your evidence to the Board, and thank you very much.

9 MR. BANERJEE: You're welcome.

10 MR. FREIDIN: Reconvene at nine o'clock
11 next Wednesday, Madam Chair?

12 MADAM CHAIR: Yes. The Board is coming
13 in Tuesday night so we can start whenever you're ready
14 on Wednesday morning, Mr. Colborne.

15 MR. COLBORNE: Madam Chair, I have had
16 discussions concerning the schedule for next week and
17 an effort is going to be made to conclude my case
18 before the end of the week, which was my rough
19 calculation how long it would take to put in the case,
20 and that would mean possibly a fairly tight schedule on
21 the three days that you're going to be sitting.

22 I thought -- there was a witness here who
23 is one of my Panel 3 witnesses, and he may be just in
24 the coffee shop, if it was convenient for all
25 concerned, he is the witness from Seine River, and I

1 think we could deal with him in reasonably short order
2 and that would remove an hour from the time needed next
3 week.

4 I don't know if there is any problem with
5 that; in other words, I would be reverting --

6 MR. MARTEL: Oh, what's his name. What
7 about Mr. Cassidy?

8 MR. COLBORNE: Oh, Mr. Cassidy, yes.

9 MADAM CHAIR: Oh, we did tell Mr. Cassidy
10 he didn't have to come back.

11 MR. COLBORNE: That's right, that's
12 right. So that's fine, I can proceed as planned then
13 next week.

14 It was simply an idea that occurred to me
15 as a matter of convenience because the witness was here
16 and probably still is, but that is fine, we will do it
17 next week.

18 MADAM CHAIR: Thank you, Mr. Colborne.
19 You have been very efficient in getting your evidence
20 before the Board and we appreciate that.

21 The Board will be flexible next week and
22 if you wish us to sit in evenings or longer hours or
23 whatever, we would be happy to accommodate any
24 scheduling for you to finish your case.

25 MR. COLBORNE: Thank you.

1 MADAM CHAIR: Thank you.

2 ---Whereupon the hearing was adjourned at 11:40 a.m.,
3 to be reconvened on Wednesday, June 12th, 1991
4 commencing at 9:00 a.m.

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